



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

August 1, 2001

Donald J. McMillan
Brush Resources, Incorporated
P.O. Box 815
Delta, Utah 84624

Re: Acceptance of Transfer of Notice of Intention for Large Mine Operations, Brush Wellman, Inc. to Brush Resources, Inc., Hogs Back Project, M/023/053, Juab County, Utah

Dear Mr. McMillan:

On July 26, 2001, we received the completed Transfer of Notice of Intention to transfer the 18 acres of disturbance at the Hogs Back large mining project from Brush Wellman, Inc. to Brush Resources, Inc. On June 27, 2001, we received two bond riders from Travelers Casualty and Surety Company of America for bond M/023/053. One rider transferred the principal's name on the surety from Brush Wellman to Brush Resources; the second rider changed the bond amount from \$40,000 to \$47,600 for this project.

On July 31, 2001, the Division Director accepted and signed the transfer document and the two bond riders. We have now changed our records to indicate Brush Resources, Inc. is the owner and operator of the Hogs Back Project. The surety amount is now \$47,600, which has been escalated to year 2006 dollars.

We have enclosed copies of the transfer documents and the bond riders for your records. Please provide copies of the accepted riders to Travelers Surety Company for their records as well.

Thank you and especially Susan Callister for your help in finalizing this permitting action. We look forward to continuing a productive and cooperative long term working relationship with Brush Resources, Inc.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosures: Copies of Transfer, 2 surety riders
M23-53-transfer.doc

For Division Use:
File No.: M/023/053
Effective Date: 7/31/2001
DOGM Lead: FM

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

RECEIVED

JUL 26 2001

DIVISION OF
OIL, GAS AND MINING

TRANSFER OF NOTICE OF INTENTION
LARGE MINING OPERATIONS

--ooOoo--

1. (a) Notice of Intention to be transferred (file number): M/023/053
(b) Name of mining operation: Hogs Back Project
(c) Location of mining operation (county): Juab County
(d) Name, telephone number and mailing address of the operator currently holding the notice of intention (transferor):
Brush Wellman Inc.
P. O. Box 815
Delta, Utah 84624
2. (a) Name, telephone number and mailing address of the operator acquiring the notice of intention (transferee):
Brush Resources Inc.
P. O. Box 815
Delta, Utah 84624
(b) Name, telephone number and address of the authorized representatives of the Transferee to whom any notices under the provisions of the Utah Mined Land Reclamation Act may be sent:
Donald J. McMillan (435) 864-2701
Brush Resources Inc.
Delta, Utah
3. (a) The total number of disturbed acres permitted and bonded under the approved Large Mining Notice of Intention: 18 Acres

- (b) Complete Appendix "A"(attached), a legal description of the approved and bonded disturbed acreage (include: Township(s), Range(s), and section(s); *to the 1/4, 1/4, 1/4 section*, and the county).
 - (c) The actual number of acres disturbed by the mining operation through the date of this transfer: 18 Acres
 - (d) Attach a topographic map (labeled as Appendix "B") of suitable scale which clearly outlines the existing disturbed area boundaries through the date of this transfer (max. scale, 1 inch = 500 ft., 1 inch = 200 ft., or larger scale is preferred). Label disturbed areas as appropriate.
4. This application must be accompanied by a fully executed and signed Reclamation Contract (Form MR-RC) and an acceptable form of replacement reclamation surety.

STATE OF OHIO)
) ss.
COUNTY OF CUYAHOGA)

SWORN STATEMENT OF TRANSFEROR

I, Michael C. Hasychak being first duly sworn under oath, depose and say that I am VP, Treasurer & Sec. (officer or agent) of Brush Wellman Inc. (Corporation/Company Name); and that I am duly authorized to execute and deliver the foregoing obligations; that I have read the said application and fully understand the contents thereof; that all statements contained in the transfer application are true and correct to the best of my knowledge and belief. By execution of this statement I certify that the Transferor is in full compliance with the Utah Mined Land Reclamation Act, the Rules and Regulations promulgated thereunder, and the terms and conditions of Notice of Intention No. M/023/053.

Signature

MICHAEL C. HASYCHAK

Name (type or print)

VP, SECRETARY & TREASURER
Title

Subscribed and sworn before me this 20th day of July, 2001.

Notary Public

Residing at: State of Ohio
County of Cuyahoga

My commission Expires:

March 25, 2006.

STATE OF Utah)
) ss.
COUNTY OF Millard)

FINAL SWORN STATEMENT OF TRANSFEREE

I, Alex C. Boulton being first duly sworn under oath, depose and say that I am Vice President (officer or agent) of Brush Resources Inc. (Corporation/Company Name); and that I am duly authorized to execute and deliver the foregoing obligations; that I have read the application and fully understand the contents thereof; that all statements contained in the transfer application are true and correct to the best of my knowledge and belief. By execution of this statement, the Transferee agrees to be bound by the terms and conditions of Notice of Intention No. M/023/053, the Utah Mined Land Reclamation Act, and the Rules and Regulations promulgated thereunder.

Alex C. Boulton
Signature

Alex C. Boulton
Name (type or print)

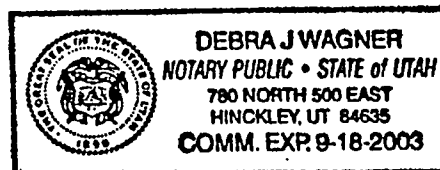
Vice President
Title

Subscribed and sworn before me this 17th day of July, 2001.

Debra J. Wagner
Notary Public
Residing at: Hinckley, Utah

My commission Expires:

09/18, 2003:



CERTIFICATION OF APPROVAL

This is to certify that I have examined the foregoing application and do hereby grant approval of same, subject to the following limitations and conditions:

- (a) This large mining permit transfer grants only the right to affect the lands as described in Appendix "A" (attached).
- (b) The transferee has provided to the Division a fully executed and signed Reclamation Contract (Form MR-RC) and an acceptable form of replacement reclamation surety. The surety shall be effective on or before the date of transfer.
- (c) The transferee, or such other person as required by UCA 1953, Title 40-8, has acquired the legal right to mine said lands as described in Appendix "A".
- (d) A topographic map of suitable scale is attached (as Appendix "B") which clearly outlines and labels the existing disturbed area boundaries through the date of this transfer.

COMMENTS:

APPROVED: Lowell P. Braxton
Lowell P. Braxton, Director
Division of Oil, Gas and Mining

Effective Date: 7/31/01
NOI No.: M/023/053

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APPENDIX "A"

Brush Resources Inc.
New Operator

Hogs Back Project
Mine Name

M/023/053
Permit Number

Juab County, Utah

The legal description of the lands to be disturbed is (Township, Range and section(s) to the 1/4, 1/4, 1/4 section):

SW 1/4 and SE 1/4 of Section 35, T12S, R12W SLBM and in Lot 2 and Lot 3
of Section 2, T13S, R12W, SLBM.

BOND RIDER

m/023/053

To be attached to and form part of a Reclamation Hogs Back Project

Bond No. [redacted], dated June 10, 2001

issued to Brush Resources, Inc.

as Principal, and Travelers Casualty and Surety Company of America

as Surety, in favor of State of Utah Department of Natural Resources
Division of Oil, Gas and Mining

, as Oblige

It is understood and agreed that the Bond is changed or revised in the particulars as checked below:

() Name of Principal changed to: Brush Resources, Inc.

^x
() Amount of bond changed from: _____

Forty Thousand Dollars (\$ 40,000) DOLLARS

to: _____

Forty Seven Thousand Six Hundred Dollars (\$ 47,600.00) DOLLARS

() Other: _____

Said Bond shall be subject to all its terms, conditions and limitations, except as herein expressly modified. This Bond Rider shall become effective as of June 10, 2001

Travelers Casualty and Surety Company of America

Signed, sealed and dated June 21, 2001

By: _____

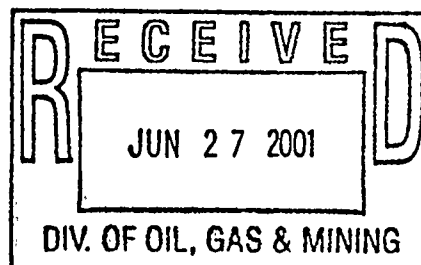
Janet E. Kaiser
Janet E. Kaiser

Attorney-in-Fac

ACCEPTED:

By: _____

Lowell P. Bruff



m/023/053

WC-3170/EP 7/92